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SUBJECT: EXXONMOBIL TELLS GOV'T IT INTENDS TO SELL
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¶1. (SBU) ExxonMobil Regional Director John A.C. Bell, along with Regional Manager Frederic Dauvergne and local Director General Manar Sall met with EconChief on October 10 to discuss the company's announcement to the government of Cote d'Ivoire that it intends to sell its stake in its Ivorian fuel distribution (downstream) network, which is comprised of 62 service stations, part ownership and management of the offshore fuel unloading terminal and related infrastructure. ExxonMobil signed an agreement on October 2nd with Libyan parastatal Tamoil to sell its Ivorian assets in a package involving similar downstream holdings in Cameroon, Senegal, Gabon, Kenya and Reunion, in a move that comes on the heels of a parallel sale to Tamoil of the American company's distribution networks in 14 other countries in 2005. The entire six-country package is worth, according to ExxonMobil, "many hundreds of USD millions."

¶2. (SBU) Bell characterized the move as related to its company-wide efforts to centralize back-office functions. Smaller African markets with regulated fuel prices, according to Bell, don't fit the company's business model. Tamoil, by contrast, has expressed a commitment to investing in Cote d'Ivoire (along with the other countries in which it will soon be a major player) and to grow the business. Local employees' contracts will be moved to the new company. Retrenchments are possible, according to Bell, but experience in Niger, where Tamoil bought the ExxonMobil downstream business in 2005, was positive: 60-80% of employees and management staff have been retained.

¶3. (SBU) ExxonMobil had conducted a limited tender bid for the six properties, hoping to sell all in a single package, but offering PETROCI (parastatal Ivorian company) and PetroGabon (parastatal Gabonese firm) the option of bidding on the assets found in their respective countries. Tamoil's bids on all six companies were plainly superior to any others. Petroci complained at the time and asked for the opportunity to rebid, and made references to ExxonMobil's business license. Since that time, however, the company has not received any hostile communications from Petroci.

¶4. (SBU) Bell's team had met with the Minister of Mining and Energy, Leon Emmanuel MONNET on Monday, October 9, and brought along a representative from Tamoil, as planned. ExxonMobil, fresh on the heels of settling the decades-long Centaures Routiers case, doesn't believe it has the obligation to obtain Ivorian government approval, but wants

to conduct its disengagement on the downstream side of its business in Cote d'Ivoire gracefully, "through the front door." Surprisingly to Bell and his team, MONNET included a representative from Petroci in the meeting. Despite this, the meeting went well. In an afternoon meeting on Tuesday, October 10th with Deputy Cabinet Director Madame Ziringnon Sarata OTTRO TOURE things went similarly well (Note: Ottro Toure is married to the head of Cote d'Ivoire national refinery, who is an elder in President Gbagbo's family. End Note). Late in the afternoon, the ExxonMobil team was abruptly recalled to a 6pm meeting with the Ministry of Mines and Energy, but company officials called EconChief afterwards and said that meeting, too, went well.

15. (SBU) ExxonMobil officials here indicate that Tamoil's influence here may be strong enough to overcome any potential lingering resentments related to Petroci's failed bid. At this juncture, the road out of Cote d'Ivoire for the company appears smooth, but we will continue to monitor the process closely.
Valle